

105TH CONGRESS
1ST SESSION

H. R. 1065

To amend the Internal Revenue Code of 1986 to provide that the actual deferral percentage test shall not apply in determining whether an arrangement for restaurant employees is a qualified cash or deferred arrangement.

IN THE HOUSE OF REPRESENTATIVES

MARCH 13, 1997

Mr. GILCHREST introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that the actual deferral percentage test shall not apply in determining whether an arrangement for restaurant employees is a qualified cash or deferred arrangement.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. ACTUAL DEFERRAL PERCENTAGE TEST NOT TO**
2 **APPLY IN DETERMINING WHETHER AR-**
3 **RANGEMENT FOR RESTAURANT EMPLOYEES**
4 **IS A QUALIFIED CASH OR DEFERRED AR-**
5 **RANGEMENT.**

6 (a) IN GENERAL.—Paragraph (3) of section 401(k)
7 of the Internal Revenue Code of 1986 (relating to cash
8 or deferred arrangements) is amended by adding at the
9 end the following new subparagraph:

10 “(G) SPECIAL RULE FOR RESTAURANT EM-
11 PLOYEES.—Clause (ii) of subparagraph (A)
12 shall not apply to an arrangement if substan-
13 tially all of the employees eligible to benefit
14 under the arrangement are employed in the
15 trade or business of providing food or beverages
16 for consumption by customers on the premises.”

17 (b) EFFECTIVE DATE.—The amendment made by
18 subsection (a) shall apply to years beginning after the date
19 of the enactment of this Act.

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